

Fact Sheet**July 2000****Corrected Version August 14, 2000**United States
Department of
Agriculture**Lamb Meat Adjustment
Assistance Program*****Sheep and Lamb Adjustment
Assistance Program***

The Lamb Meat Adjustment Assistance Program calls for producers to receive a total of \$30 million in direct cash payments to help improve their opportunity for equitable participation in import competition.

This is a three-year program with a target of \$10 million in cash payments for each year. Funds not utilized during any year will be carried forward throughout the program.

Program Timeline

The lamb and sheep assistance plan is broken down into two categories; Year 1 and Years 2 and 3, with Years 2 and 3 covering 2 calendar years. Year 1 will run from July 22, 1999, to September 30, 2000, and will include payments made for rams, sheep improvement, and facility improvement. A \$5,500 maximum combined payment per operation will be allowed for Year 1, excluding any producers whose gross income for 1999 was greater than \$2.5 million.

In Years 2 and 3, producers will be eligible for payments of \$3 for each feeder lamb and \$5 for each slaughter lamb, marketed during the period of August 1, 2000, through July 31, 2002. During the

June 1 through July 31 period of the program, Years 2 and 3, a producer will be eligible for a total payment of \$8 for each marketed slaughter lamb. There are no maximum payments or herd limits for the second and third year of the program, but feeder lamb producers whose gross income for calendar year 2000 or 2001 exceeds \$2.5 million are not eligible for payments. Also, for all payments, the applicant must be engaged in the business of producing and marketing agricultural products at the time of application.

Qualifications

Agricultural guidelines in addition to economic guidelines have also been established for the sheep and lamb assistance plan. For Year 1 (July 22, 1999, through September 30, 2000) the three types of payments offered: ram, sheep improvement, and facility improvement, will have production and enrollment guidelines.

Producers will receive up to \$100 for each ram that is purchased for breeding purposes, at least 90 days old at time purchased, and will be maintained for at least 90 days. The maximum ram payment allowed per sheep and lamb operation for rams is \$2,500 for Year 1.

Producers will receive \$.50 for each sheep enrolled in an authorized

sheep improvement program, however, the maximum sheep improvement payment is \$500.

The facility improvement option for Year 1 will provide producers with a payment of 20 percent of the total cost of the facility improvement, not to exceed \$2,500 per sheep and lamb operation. Improvements that must be made during Year 1 must be used in the sheep and lamb operation for at least the next 3 consecutive years, and producers must submit cost documentation of the improvements made. For Year 1, the maximum combined total payments to a sheep and lamb operation are \$5,500.

Guidelines established for Year 2 (August 1, 2000 through July 31, 2001) and Year 3 (August 1, 2001 through July 31, 2002) include guidelines for slaughter and feeder lambs, the two classes eligible for participation.

Payment rates for feeder and slaughter lambs include:

- \$3 per head for feeder lambs
- \$5 per head for slaughter lambs
- \$8 total per head for slaughter lambs marketed during June 1 through July 31 of program Years 2 and 3.

Slaughter lambs must be marketed during August 1, 2000 through July 31, 2002 and must meet the following criteria:

- owned by operation for 30 days before marketing
- carcasses must be USDA Quality Choice or Prime
- carcasses must be USDA Yield Grade 2
- carcasses must have a muscling confirmation score of Average Choice or better
- carcasses must have a 55-75 lb. dressed hot carcass weight.

In order to receive the \$8 per carcass incentive payment, slaughter lambs must be marketed between June 1 and July 31 of each program year.

To be eligible for payment, feeder lambs must:

- be marketed during August 1, 2000 through July 31, 2002
- be owned by the operation for at least 30 days before marketing
- be thick-muscled and large framed, as determined by USDA's Agricultural Marketing Service (AMS).

There are no maximum payments or herd limits in Years 2 or 3. However, feeder lamb operations whose gross income exceeds \$2.5 million in calendar year 2000 or 2001 are ineligible for payment.

Application Process for Year 1

A "Year 1" application, Form FSA-382, may be obtained in person, by mail, telephone, or by fax from any FSA office. Applicants may also download a copy of the Form FSA-382 at www.fsa.usda.gov/daftp/psd/

Applications should be returned to the producer's FSA county office. Applications will be accepted until October 13, 2000. All data submitted on the application is subject to verification and spot checks by FSA. Refusal to allow verification will determine the application invalid. Applicants must also be engaged in the business of producing and marketing agricultural products.

Application Process for Years 2 and 3

A "Year 2" and "Year 3" application may also be obtained in person, by mail, telephone, or by fax, or Internet from any county FSA office.

Sheep and lamb operations must have the certification section of the application form (FSA-383) completed prior to submission of the form to the county office.

Applications for Years 2 and 3 must be received no later than August 15, 2001, if applying for Year 2, and no later than August 15, 2002, if applying for the Year 3 program. Applicants must also be engaged in the business of producing and marketing agricultural products at the time of application.

A 30-day comment period will follow publication of the draft program regulations. A final rule will be published later this year. Additional information can be found on FSA's website at: www.fsa.usda.gov/daftp/psd/ or at local Farm Service Agency offices.

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